



Arizona Economic Update

March 14, 2016

Summary

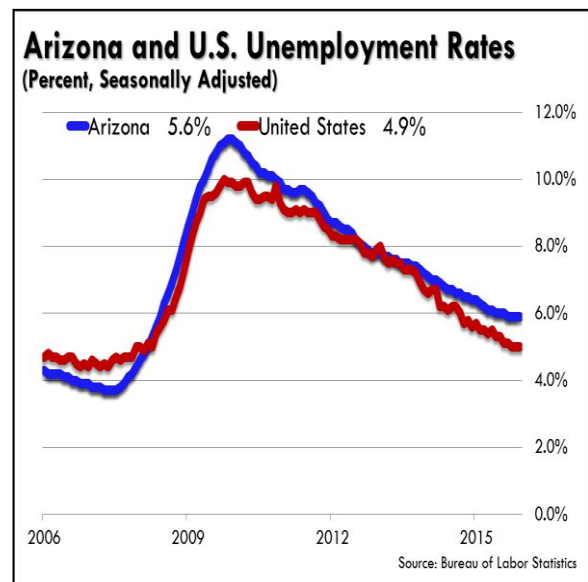
Nonfarm payroll employment in Arizona increased by 800 jobs and the unemployment rate fell to 5.6 percent in January according to data released by the Bureau of Labor Statistics (BLS).

Arizona Unemployment Rate

During January, the unemployment rate in Arizona declined by 0.3 percentage point to 5.6 percent. The number of people counted as unemployed fell by 6,376 in January to 179,165, while the labor force grew by 20,205 to 3,187,463. Among the 50 states and the District of Columbia, 37 posted lower unemployment rates for the month than Arizona. A year earlier, the unemployment rate in Arizona stood at 6.4 percent.

The 10 year peak for the unemployment rate in Arizona was 11.2 percent in December 2009. The series high for the unemployment rate in Arizona occurred in December 1982 when the unemployment rate reached 11.5 percent. The 10 year low for the unemployment rate was 3.7 percent in July 2007. This also represents the series low for the unemployment rate in Arizona. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 4.9 percent in February. February's unemployment rate was 0.6 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Arizona Payroll Employment

Arizona nonfarm payrolls increased by 800 jobs, or 0.03 percent, on a seasonally adjusted basis during January. In the prior month, nonfarm payrolls increased by 3,900. Over the past 12 months nonfarm payrolls in Arizona increased by 76,700, or 2.94 percent. Arizona nonfarm payroll employment has increased in each of the past 12 months.

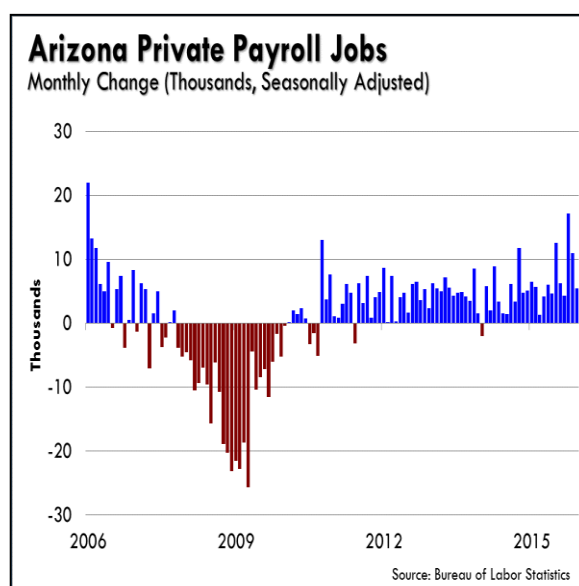
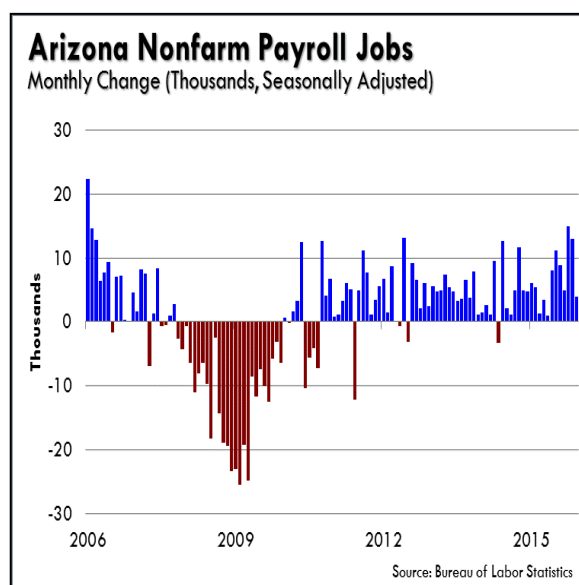
Nationally, nonfarm payrolls increased by 242,000 jobs in February, or 0.17 percent. Over the 12-month period ending February 2016 nonfarm payrolls grew by 2,672,000 jobs, or 1.9 percent. Arizona ranks 7th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During January, Arizona private sector payrolls increased by 5,500, or 0.24 percent. Private sector payrolls increased by 5,400 jobs in the prior month. Over the past 12 months, private sector payrolls in Arizona increased by 83,900, or 3.82 percent. Arizona private sector payroll employment has increased in each of the past 24 months.

Nationally private-sector payroll jobs increased by 230,000 jobs in 1.9, or 0.19 percent. Over the past 12 months, the nation's economy has added 2,597,000 jobs in the private sector, an increase of 2.18 percent.

Arizona posted the third highest percentage gain in private sector payroll employment among the 50 states and the District of Columbia over the past 12 months.

During January, total government payroll employment in Arizona declined by 4,700, or 1.15 percent. Federal government payroll employment increased by 100, or 0.18 percent. State government payroll employment declined by 300, or 0.36 percent, while local government payroll employment declined by 1,700, or 0.63 percent.



Over the past year, total government payroll employment declined by 7,200, or 1.75 percent. State government payroll employment increased by 1,000, or 1.22 percent. Local government payroll employment declined by 3,300, or 1.22 percent.

The best performing sectors on a seasonally adjusted basis during January were Financial Activities (+2,800) and Construction (+1,600). The poorest performing sectors during the month were Total Government (-4,700) and Trade, Transportation & Utilities (-900).

The best performing sectors during the last twelve months were Professional & Business Services (+20,400) and Educational & Health Services (+17,600). The poorest performing sectors for the year were Total Government (-7,200) and Mining & Logging (-1,000).

Other Arizona Labor Force Statistics

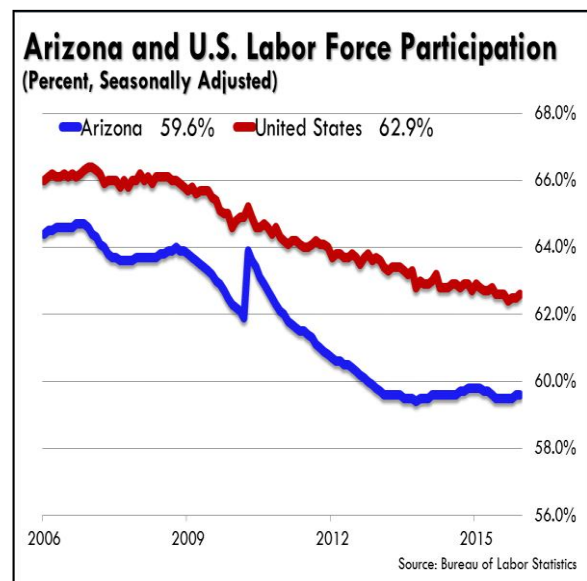
The labor force participation rate in Arizona was unchanged at 59.6 percent in January. Among the 50 states and the District of Columbia, 40 have a higher labor force participation rate than Arizona. The labor force participation rate in Arizona is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Arizona was 64.7 percent in November 2006. The series high for the labor force participation rate in Arizona occurred in July 1995 when the labor force participation rate hit 66.9 percent. The 10 year low for the labor force participation rate was 59.4 percent in October 2013. This also represents the series low for the labor force participation rate in Arizona.

The national labor force participation rate rose by 0.2 percentage point to 62.9 percent in February, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Arizona civilian noninstitutionalized population 16 years and older counted as employed, rose to 56.5 percent in January from 56.1 percent the prior month. Among the 50 states and the District of Columbia, 40 have higher employment-to-population ratios than Arizona. The employment-to-population ratio in Arizona is 0.5 percentage point higher than a year earlier.

The 10 year high for the employment-to-population ratio in Arizona was 62.1 percent in December 2006. The series high for the employment-to-population ratio in Arizona



occurred in August 1995 when the employment-to-population ratio hit 63.3 percent. The 10 year low for the employment-to-population ratio was 55.0 percent in September 2013. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio hit 53.2 percent.

The national employment-to-population ratio rose by 0.2 percentage point to 59.8 percent in February. That rate was 0.5 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for February is scheduled for release on March 25, 2016. The national employment situation report for February was released on Friday, March 4, 2016.

